## Message Text

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**ORIGIN ARA-10** 

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TO AMEMBASSY QUITO

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E.O. 11652: N/A

TAGS: ENRG, EC

SUBJECT: ADA CASE

- 1. DESK OFFICER BRIEFED ADA'S JOE LASSITER JULY 21 ON GIST OF REFTEL. LASSITER GREATLY APPRECIATES THE AMBASSADOR'S PERSONAL HANDLING OF THE CASE, AS WELL AS THE DESK OFFICER'S APPROACH TO ECUADOREAN AMBASSADOR CARDENAS, WHICH WAS MADE JULY 19 WHEN CARDENAS CALLED ABOUT ANOTHER MATTER.
- 2. LASSITER VOLUNTEERED THE FOLLOWING INFORMATION, THE SOURCE OF WHICH IS MINISTER OF DEFENSE GENERAL ANDRES ARRATA, A SUPPOSEDLY GOOD FRIEND OF CARLOS JIMENEZ, ADA'S ECUADORIAN LAWYER. ACCORDING TO ARRATA, THE SUPREME COUNCIL MET JULY 16 WITH SEVERAL MINISTERS INCLUDING ARRATA AND MINISTER OF NATURAL RESOURCES RENE VARGAS TO HEAR VARGAS BRIEF THEM ON THE GOE'S PETROLEUM POLICY. VARGAS SUPPOSEDLY SAID THAT ANY RESOLUTION OF THE TEXACO-GULF (T-G) PROBLEM WOULD BE VERY DIFFICULT BECAUSE IT WOULD INVOLVE A GOE PAYMENT OF AN ENORMOUS COMPENSATION. ARRATA CLAIMS THAT HE THEN LIMITED OFFICIAL USE

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INTERRUPTED VARGAS TO SAY THAT VARGAS' STATEMENT WAS NOT

## CORRECT BECAUSE THE QUESTION OF COMPENSATION WAS EXACTLY

WHAT WAS TO BE NEGOTIATED BETWEEN THE GOE AND T-G, AND SO VARGAS SHOULD PROCEED TO MAKE ARRANGEMENTS WITH T-G TO SEE WHAT COULD BE WORKED OUT.

- 3. ARRATA ALSO SAID THE ADA CASE WAS MENTIONED BRIEFLY AT THE MEETING, IN THE SAME GENERAL WAY, I.E., QUOTE LET'S SEE WHAT CAN BE WORKED OUT.END QUOTE. ARRATA THEREFORE ASKED JIMENEZ FOR COPIES OF ADA'S AIDE MEMOIRE OF JULY 2, 1976, WHICH ARRATA SAID HE WOULD GIVE PERSONALLY TO EACH OF THE THREE MEMBERS OF THE SUPREME COUNCIL. LASSITER SAID THAT HE WAS CERTAIN JIMENEZ HAD ALREADY DONE THAT, BUT THAT LASSITER DID NOT KNOW FOR SURE THAT ARRATA HAD DELIVERED THE COPIES.
- 4. JIMENEZ' FINAL PIECE OF INFORMATION WAS THAT ARRATA SAID THAT LASSITER SHOULD NOT PUSH FOR A MEETING WITH THE SUPREME COUNCIL AT THIS TIME, BUT SHOULD GIVE THE COUNCIL TIME TO RECEIVE VARGAS' REPORT, AND TO STUDY IT AND THE ADA AIDE-MEMOIRE. LASSITER SAID THAT HE WAS PREPARED TO FOLLOW THAT ADVICE. ROBINSON

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